COMMUNICATIONS CONSUMER PANEL

Communications Consumer Panel response to Ofcom's Consultation on the Review of Accreditation Scheme for Price Calculators

The Communications Consumer Panel welcomes this opportunity to respond to Ofcom's Consultation on the Review of Accreditation Scheme for Price Calculators.

Background

To help consumers get accurate, transparent and comprehensive advice comparing communications providers and services, in 2006 Ofcom introduced an accreditation Scheme for Price Comparison Websites (PCWs).

PCWs can apply to Ofcom for accreditation and are assessed by an independent auditor against approval criteria set by Ofcom. The criteria require the accredited PCWs to be accessible, accurate, transparent and comprehensive. After achieving accreditation, PCWs are audited initially after 12 months and every 18 months thereafter to ensure they continue to meet the criteria. Six PCWs are currently accredited.

Of com are now reviewing the scope and operation of the Scheme to ensure it remains valuable to consumers and PCWs.

Response

The Communications Consumer Panel is an independent body of eight experts who work to protect and promote people's interests in the communications sector. We were established by the Communications Act 2003. The Panel carries out research, provides advice and encourages Ofcom, Government, the EU, industry and others to look at issues through the eyes of consumers, citizens and small businesses.

The Panel pays particular attention to the needs of older people and people with disabilities, the needs of people in rural areas and people on low incomes, and the needs of small businesses, which face many of the same problems as individual consumers. There are four members of the Panel who represent the interests of consumers in England, Northern Ireland, Scotland and Wales respectively.

The Panel strongly supports the principle of accreditation of PCWs and is pleased to note that the review found that the Scheme is generally working effectively and that there is not a need for fundamental revisions. In line with the Office of Fair Trading, Consumer Focus and the European Commission, we believe that accreditation schemes for PCWs which follow best practice are of value to consumers and markets.

We were pleased to note that discussions with PCWs accredited under the Scheme confirmed broad satisfaction with the main features and operation of the Scheme and revealed that, although only six PCWs are currently accredited, a much larger number of PCWs are affiliated to the accredited PCWs and use their accredited price comparisons.

However, the Panel notes that PCWs did not believe accreditation resonates significantly with the consumer using their sites, feeling that consumers do not know about Ofcom or its role. We would support the view that the accredited PCWs are best placed to publicise their accreditation and the Scheme to consumers, however we believe that Ofcom must continue to use the mechanisms available to it to promote awareness of the Scheme. Given Ofcom's role as the independent regulator, it has a unique opportunity to work towards increasing consumers' trust in the Scheme. In relation to consumer trust, it is, of course, vital that sites make impartial comparisons, make clear how they are funded and how search results are ranked. Sites should also provide clear information about how they utilise people's data, ensure that people's consent to the use of their personal data is truly informed - and have transparent privacy and data protection policies.

The Panel would support exploration of the type of logo that consumers would find most helpful - whether this be a single logo for the communications sector, or a logo which applied across comparison websites for different sectors e.g. energy and communications. We are less convinced of the merits of different logos for different industries within the communications sector e.g. mobile, broadband etc, unless they remain part of an umbrella brand.

For consumers to make an informed decision about a new communications service, it is important that prices displayed by sites should be for the total price of a service - including any installation costs. We are surprised that, given that technology now allows the rapid updating of prices, the accreditation requires sites only to update prices at least at eight week intervals. We believe the frequency of updates required should be much quicker so that they are most meaningful to consumers. We would also encourage the provision of further search criteria to reflect consumers' use of different elements of services e.g. whether tethering is allowed in a mobile package, to help consumers compare and filter the options available to them.

As the consultation notes, the broadband market has evolved since the Scheme was introduced, with communications providers expanding the range of services available to consumers, offering in particular: packages with different maximum data speeds; and varying limits on the amount of data that can be downloaded each month (without incurring additional charges). Consumer usage has also changed over that period, with more consumers taking broadband services and using more data-heavy services such as TV and film programmes. In an associated development, some communications providers have introduced policies to manage traffic over their networks.

We agree that it would be helpful to formally require accredited sites to display information on these elements. However for all three areas, we believe that there should be some level of immediately visible information rather than having to click back and forth through a number of links to compare providers' services.

- In relation to data limits, we suggest that these are clearly displayed on the site - preferably with a link to a means of realistically assessing your likely consumption.
- In relation to traffic management policies, at the very least, we believe that the use of such policies by a provider should be indicated on the site in the search results, accompanied by easily accessed information about what this means in respect of service expectations and a link to find out more detail.
- With regard to likely speed of service, we would argue that this should be indicated clearly on the site, rather than reliant on people clicking through links to other sources. This should be in the form of an average or range and preferably for a specific geographic area. The Panel has consistently argued that Internet Service Providers (ISPs) should stop using potentially misleading 'up to' speeds. We know that consumers on the same package can receive different speeds depending, for example, on things like their distance from the exchange. The 'up to' figure which only needs to be attainable by 10% of customers is not sufficient in our view for consumers to make an informed decision. Although a speed checker tool will be useful for consumers to assess their current speed, we are unsure how this will assist them in choosing a new service.

The Panel was pleased when, following its suggestion, Ofcom began to publish information about the complaints it receives. Whilst we agree that the provision of information about Ofcom's complaints and customer satisfaction research will be useful to consumers, we do have some further suggestions in this area. Firstly, that information about the quality of companies' customer service/complaints should be displayed on the site itself (and preferably as part of the results) rather than by way of links, for the reasons explained above. Secondly that, whilst useful, information supplied by Ofcom forms only part of the picture.

As the consultation notes, the approval criteria for the Scheme currently require accredited websites to advise consumers to consider factors other than price and encourage them to visit two industry websites which were providing comparative quality of service information when the Scheme was set up - Topcomm and Topnet. Topcomm was a co-regulatory scheme under which certain providers of fixed line voice services published comparable information on service provision, fault incidence and fault repair, as well as on complaints processing and upheld billing complaints. Topnet was a website established by mobile network operators to provide results of independent mobile network voice quality surveys. Topcomm and Topnet were closed in 2009.

We believe that the consumer landscape has undergone significant change since the decision was made to close these sites in 2009. The provision of sites which compare the consumer experience are now legion online - and are very popular. Web 2.0 has allowed some - although by no means all - consumers to compare information and voice their opinion of the goods and services they receive in a way that was not previously possible to the general consumer. We would encourage the consideration of such resources in relation to the accredited sites - and the reinstatement of comparable information across providers. As we have previously stated, we would also like to see the publication of complaint data by the Alternative Dispute Resolution schemes that consumers can use to inform their considerations.

Finally, in relation to the administration of the Scheme and sites:

- We would support the implementation of quarterly spot checks, which would bring the scheme into line with the energy sector accreditation scheme.
- We believe that the provision of guidance of past decisions should be helpful to sites, particularly as they seek to make changes to their offer and to help ensure that they remain compliant with the accreditation requirements.
- We were concerned that Consumer Focus found that some accredited sites performed less well in terms of making their complaints process clear on their website than non-accredited sites. We therefore strongly support the proposed implementation for sites to be required to have a well-signposted and effective complaints handling process.